

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

February 4, 2002

IN RE:

**PETITION OF UNITED CITIES GAS
FOR APPROVAL OF VARIOUS
FRANCHISE AGREEMENTS**

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**DOCKET NO.
00-00562**

ORDER APPOINTING A HEARING OFFICER ON THE MERITS

This matter came before the Tennessee Regulatory Authority (the "Authority") at a regularly scheduled Authority Conference held on October 23, 2001, for appointment of a Hearing Officer to render a decision on the merits of United Cities Gas Company's ("United Cities" or the "Company") *Petition for Approval of Various Franchise Agreements* (the "*Petition*").

United Cities filed its *Petition* on June 30, 2000, requesting Authority approval, pursuant to Tenn. Code Ann. § 65-4-107, of franchise agreements contained in ordinances and resolutions passed by the municipalities of Kingsport, Bristol, and Morristown and Maury County. On August 15, 2000, the Consumer Advocate Division of the Office of Attorney General (the "Consumer Advocate") filed a *Petition for Information, or Alternatively to Intervene* (the "*Petition to Intervene*") challenging certain provisions regarding franchise fees in the Kingsport, Bristol, and Morristown franchise ordinances and objecting to a provision in the Kingsport ordinance which, the

Consumer Advocate stated, purports to impose non pro rata billing of United Cities' customers for franchise fees, in violation of Tenn. Code Ann. § 65-4-105. The Consumer Advocate also sought intervention in this matter and requested that the Authority deny approval of the Kingsport, Bristol, and Morristown franchise agreements.

At the regularly scheduled Authority Conference held on August 29, 2000, the Directors voted unanimously to convene a contested case in this matter, to appoint the Authority's General Counsel or his designee as Pre-Hearing Officer, and to grant the Consumer Advocate's *Petition to Intervene* and allow the Consumer Advocate to intervene in this matter as to the Kingsport, Bristol, and Morristown agreements.¹ An Order reflecting this action was issued on October 23, 2000.

On October 11, 2001, the Authority Staff met with the parties to discuss scheduling matters. The following parties were in attendance at this meeting:

United Cities Gas Company – **Joe A. Conner, Esq.**; 1800 Republic Center, 633 Chestnut Street, Chattanooga, TN 37450; **Pat Childers**, 810 Crescent Centre Drive, Suite 600, Franklin, TN 37067

The Consumer Advocate and Protection Division of the Office of Attorney General – **Timothy C. Phillips, Esq.**; 425 Fifth Avenue North, Nashville, TN 37243

At the October 11, 2001 meeting, the parties stated that they were prepared for the Authority to move toward a resolution of United Cities' *Petition* and agreed that a hearing could be conducted by a Hearing Officer designated by the General Counsel.

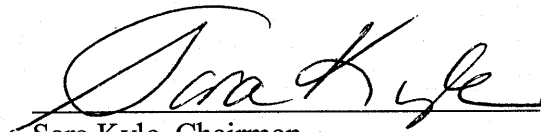
In two previous dockets involving the limited issue of approval of franchise agreements, the Authority appointed a Hearing Officer to hear the matter on the merits

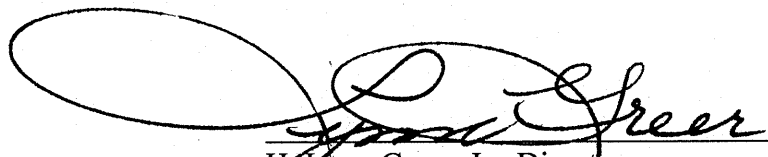
¹ During the August 29, 2000 Authority Conference the Consumer Advocate informed the Directors that the Consumer Advocate did not object to or seek intervention as to the Maury County Franchise Agreement.

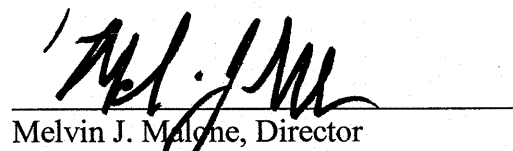
and issue an initial order.² Consistent with the actions of the Authority in those two similar dockets, the Directors of the Authority voted unanimously during the October 23, 2001 Authority Conference to appoint the General Counsel or his designee to act as Hearing Officer in this matter, to make findings of fact and conclusions of law, and to render an initial decision on the merits of the *Petition*.

IT IS THEREFORE ORDERED THAT:

The General Counsel or his designee is appointed Hearing Officer in this matter to make findings of fact and conclusions of law, and to render an initial decision on the merits of United Cities' *Petition*.


Sara Kyle, Chairman


H. Lynn Greer, Jr., Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary

² In Re: Joint Application of the City of Kingsport and Tensasco Pipeline Corporation for Approval of City Resolution and City Ordinance, Docket No. 00-00537; In Re: Petition of Gasco Distribution Systems, Inc. to Approve Byrdstown Tennessee Franchise, Docket No. 01-00113.